

Development of Export License Review System for Strategic Trade Control

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1. Introduction

Nuclear items listed on Nuclear Suppliers Group (NSG) Guideline Part 1 are controlled by domestic trade law of each member country [1]. In South Korea, Nuclear Safety and Security Commission (NSSC) is responsible for the strategic trade control of nuclear items. And it is supported by the Korean Institute of Nuclear Nonproliferation and Control (KINAC) which provides technical review and develops policy.

Recently, the volume of strategic technology is increasing rapidly. To review them in limited resources, KINAC developed efficient export license assistant system called the Intelligent Export Control Review System (IXCRS) [2]. This paper describes main features of export license system in IXCRS and direction of future research.

2. Export License

2.1 General information

An export license is issued after verifying item types, quantity, end-users and usage of strategic goods. There are several main review points for strategic trade control.

Table 1. Review list for export license

No	Review points
1	Application documents
2	Item characteristic / purpose
3	Peaceful end use
4	Retransfer possibility
5	Denial country / recipient
6	Reliability of country / recipient

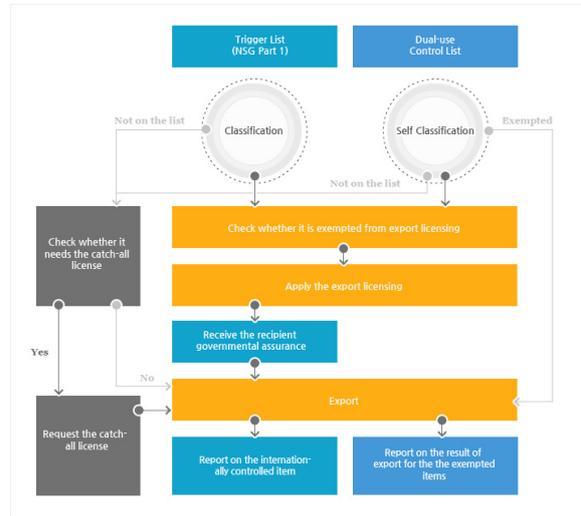


Fig. 1. Export license flow chart.

2.2 Process of export license

To apply export license, applicants should get classification result. If that result is correspond to nuclear strategic item, applicants must get permission before export item. Fig. 1 shows the process of export license.

3. Export License system

This system assists technical reviewers to review efficiently and prohibit mistake. Following shows major steps for export license review in system.

3.1 Step 1: check application documents

In this step, reviewer checks the application documents whether acceptable or not in basis on domestic law.

Application documents information		
Application documents type	Submit	Remarks
1. Contract, agreement, a deed of contract	<input type="radio"/>	
2. Technical particular for strategic item (Annex 5)	<input type="radio"/>	
3. Documents for performance and use of item	<input type="radio"/>	
4. Import confirmation document for strategic item (Annex 2)	<input type="radio"/>	
5. Exporter's pledge (Annex 3)	<input type="radio"/>	
6. End user pledge (Annex 2.2)	X	
7. The others	X	

Fig. 2. Screen for application documents information.

3.2 Step 2: check recipient

In this step, reviewer checks the recipient information by searching internet homepage and google map. Usually, Major nuclear related companies can be found in this way. After that, system automatically provides searching result of denial list in international sanctions. An import /export records of recipient are also considered for detecting abnormal trade.

Database Name	Matching Status	Matching Contents	
NSG Denial Notification	Yes	Bob ~~~~	More >>
NSG Complementary Information	No	N/A	More >>
The Denied Persons List	No	N/A	More >>
Debarred Parties List	No	N/A	More >>
The Entity List	No	N/A	More >>
Unverified List	No	N/A	More >>
Specially Designated Nationals List	No	N/A	More >>
DOD Debarred List	No	N/A	More >>
EU Denial Information	No	N/A	More >>

Fig. 3. Screen for recipient information.

No.	Registration No.	Name	Result	Approval
1	20111203_XX1	Test1	Strategic	Approved
2	20111203_XX2	Test2	Non-Strategic	Uncalled
3	20111203_XX3	Test3	Strategic	Denied
4	20111203_XX4	Test4	Non-Strategic	Uncalled

Fig. 4. Screen for recipient import/export information.

3.3 Step 3: check importing country

In this step, reviewer checks the importing country information refer to the participating status of sanctions, regimes, treaties, and agreements etc. Using these information, reviewer can save time to search and reduce mistakes.

NPT		IAEA		Physical protection agreement		
Sign	Statement	Comprehensive Safeguard Agreement	Additional Protocol	Sign	entrust	Statement
1968.07.01	1970.03.05	1980.12.09(Statement)	2009.01.08(Statement)	1980.03.03	1982.12.13	1987.02.08

CTBT	Export Control Regimes				CWC (Statement)	BWC (Ratification)	Agreement with PDK	Nuclear weapon	Remarks
	WA	NSG	MTCR	AG					
1986.09.24 (Approved) X	O	O	O	O	O (1997.04.29)	O (1975.03.26)	O (1972.11.24)	O	

Fig. 5. Screen for importing country information.

4. Conclusion

This study introduced main features of the export license review system. Now, it is on practical use by connected to NEPS (Nuclear Export/Import control System). Compared with before, the time required for review is quite decreased. And information for technical review can be easily acquired which make review easier.

However, there still remain a few things to improve for this system. First, there is no function to update information automatically. It makes system user to update the latest information by manual. Second, lack of accumulated data. To analysis recipient and item information, a lot of background data are needed.

In further research, we will apply a professional trade database to the system to improve verification performance. And using improved system, we will try to find illegal trade evidences.

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- [1] The National Assembly of the Republic of Korea, "Foreign Trade Act", Act No. 13838, Jan.27, 2016
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